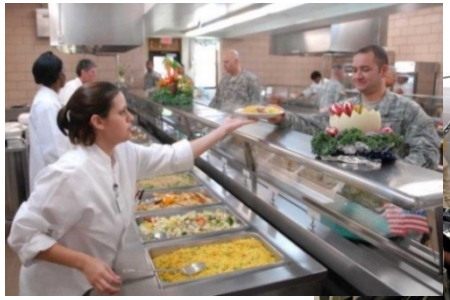
Changing Landscape……

What was once performed by uniformed military may now be provided by contractors



Contractors perform vital services in support of the entire DoD mission and team

- Maintain combat equipment
- Move forces to and from combat operations
- Provide life support at contingency bases
- Sustain facilities and test ranges
- Provide health care

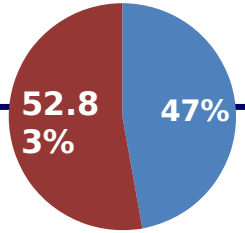
Services Significance

- More than half of all DOD contracting dollars spent in support of the warfighter
- Touches everyone – home station or deployed, services contractors support the mission
- Interest area of Congress, GAO, and IGs
- Emphasized by senior leadership
  - "Improving Tradecraft in Acquisition of Services" continues to be a focus of Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) Better Buying Power (BBP) initiatives

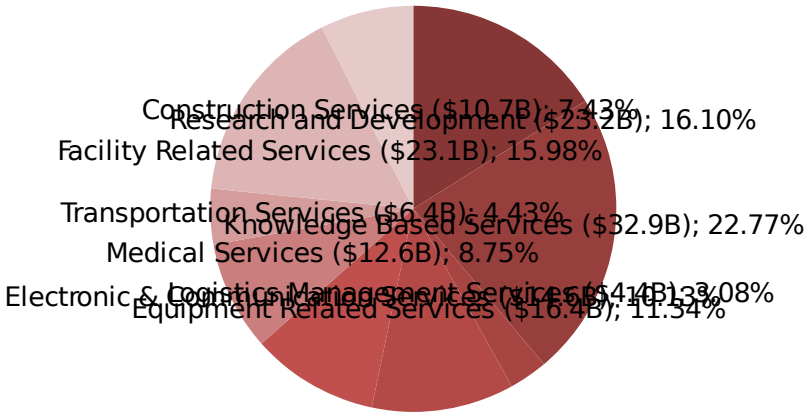
BETTER BUYING POWER 3.0, http://bbp.dau.mil

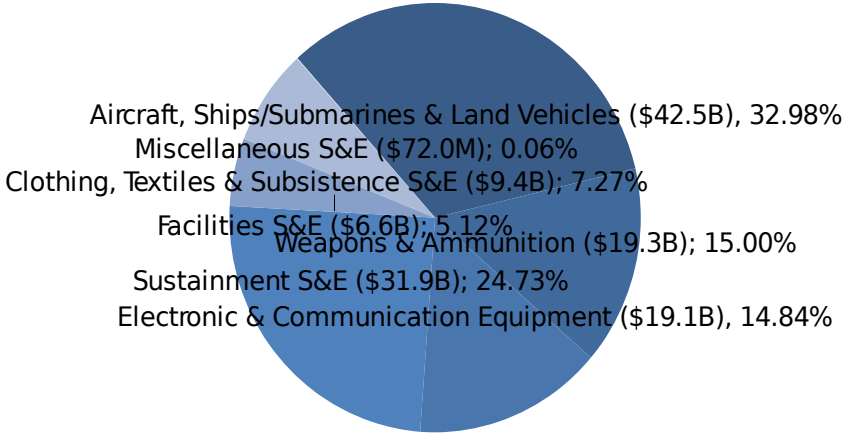
DoD Services Acquisitions 53% of Spend in FY15

Services ($144.3B)



S&E ($128.8B)


Construction Services ($10.7B); 7.43%
Research and Development ($23.2B); 16.10%
Facility Related Services ($23.1B); 15.98%
Transportation Services ($6.4B); 4.43%
Knowledge Based Services ($32.9B); 22.77%
Medical Services ($12.6B); 8.75%
Electronic & Communication Services ($4.4B); 3.08%
Logistics Management Services ($16.4B); 11.34%
Equipment Related Services ($16.4B); 11.34%


Aircraft, Ships/Submarines & Land Vehicles ($42.5B), 32.98%
Miscellaneous S&E ($72.0M); 0.06%
Clothing, Textiles & Subsistence S&E ($9.4B); 7.27%
Facilities S&E ($6.6B); 5.12%
Weapons & Ammunition ($19.3B); 15.00%
Sustainment S&E ($31.9B); 24.73%
Electronic & Communication Equipment ($19.1B), 14.84%

Source: Business Intelligence Tool data from 12 Nov15

Numbers may not add due to rounding

DoD 5000.74, 5 Jan 2016

Defense Acquisition of Services

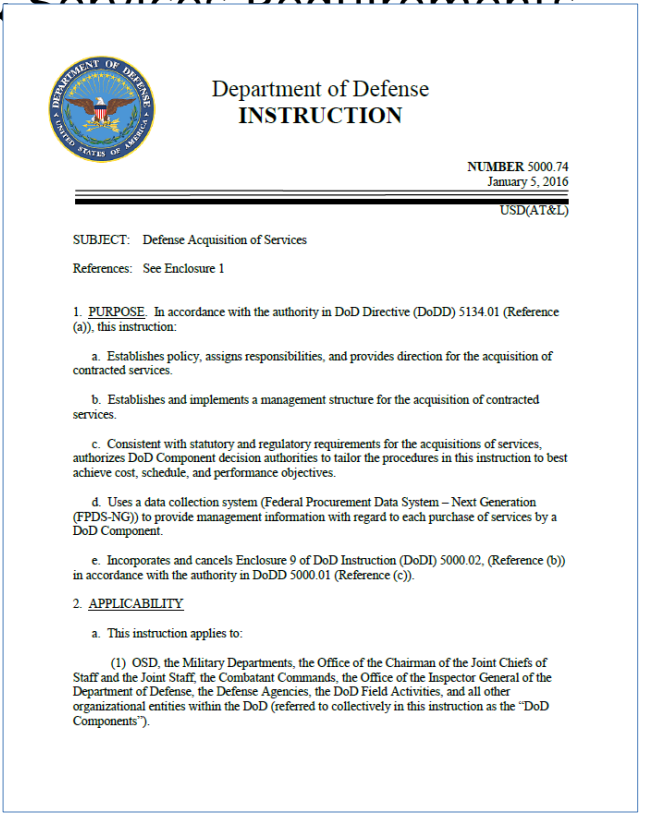
- Expands on content formerly in DoDI 5000.02, Enclosure 9, Dec 2008
- Codifies Services Acquisition procedures, requirements and categories (S-CATs)
- Introduces Functional Services Manager (FSM) & Services Requirements Review Boards (SRRBs)

Table 1. Acquisition of Services Categories

Category	Threshold[1]	Decision Authority
Services Category I	Any acquisition of services with an estimated total value of $1 billion or more than $300 million in any one year	USD(AT&L) or designee, or Military Department Service Acquisition Executive (SAE) or designee
Special Interest[2]	As designated by the USD(AT&L)	USD(AT&L) or designee
Services Category II	Acquisitions of services with an estimated total value of $250 million or more, but less than $1 billion	USD(AT&L) or designee, or Military Department SAE or designee
Services Category III	Acquisitions of services with an estimated total value of $100 million or more, but less than $250 million	Senior Services Manager (SSM) or designee
Services Category IV	Acquisitions of services with an estimated total value of $10 million or more, but less than $100 million	SSM or designee
Service Category V	Acquisitions of services with an estimated total value of the SAT or more, but less than $10 million	SSM or designee

[1]Dollar threshold determined based on the Independent Government Cost Estimate (IGCE) in current-year dollars.

[2]The Special Interest designation is typically based on one or more of the following factors: technological complexity; congressional or administration interest; a large commitment of resources; or whether the program is critical to the achievement of a capability or set of capabilities, part of a system of systems, or a joint program.



Department of Defense
INSTRUCTION

NUMBER 5000.74
January 5, 2016

USD(AT&L)

SUBJECT: Defense Acquisition of Services

References: See Enclosure 1

1. PURPOSE. In accordance with the authority in DoD Directive (DoDD) 5134.01 (Reference (a)), this instruction:

a. Establishes policy, assigns responsibilities, and provides direction for the acquisition of contracted services.

b. Establishes and implements a management structure for the acquisition of contracted services.

c. Consistent with statutory and regulatory requirements for the acquisitions of services, authorizes DoD Component decision authorities to tailor the procedures in this instruction to best achieve cost, schedule, and performance objectives.

d. Uses a data collection system (Federal Procurement Data System – Next Generation (FPDS-NG)) to provide management information with regard to each purchase of services by a DoD Component.

e. Incorporates and cancels Enclosure 9 of DoD Instruction (DoDI) 5000.02, (Reference (b)) in accordance with the authority in DoDD 5000.01 (Reference (c)).

2. APPLICABILITY

a. This instruction applies to:

(1) OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this instruction as the "DoD Components").

Conclusion

- Focus on services acquisition
  - Policies
  - Oversight
  - Training for process improvements

- Acquisition analysis, leadership/oversight, training and process improvement lead to short and long term benefit to the warfighter and American taxpayer

www.acq.osd.mil/dpap/sa/index.ntmi

DoDI 5000.74
Defense Acquisition of Services
Questions?

http://www.acq.osd.mil/dpap/sa/index.html

http://sam.dau.mil